

Washington, D.C. - Congresswoman Melissa Bean (IL-08) made the following statement on the House floor today before voting in opposition to H.J.Res.3, which would have blocked the Obama Administration's access to funding in the Troubled Asset Relief Program, or TARP. A vote against the resolution was a vote to continue the TARP program.

Text of the statement:

"I thank the gentleman for yielding.

"Mr. Speaker, I rise in opposition to H.J.Res.3, which would eliminate an essential tool for our government to maintain stability in our financial markets during this time of economic strain.

"Last fall, this Congress faced a difficult decision. We were asked to provide the Treasury with \$700 billion to stabilize the financial markets. Federal Reserve Chairman Ben Bernanke warned that the U.S. economy was on the verge of collapse if we did not act. Fortunately, Congress wisely put stipulations in place to protect taxpayer dollars. We also instructed the Treasury to provide foreclosure avoidance resources. Most important, we withheld half of the TARP money to allow Congress to review the use of the first half before releasing further funds.

"While it was vitally necessary to stave off a collapse of our nation's financial system and remains so today, I appreciate the frustration many of my colleagues and Americans have with the execution thus far of the TARP program. Of particular concern, the past administration did not follow Congressional instruction to utilize a portion of funds to address rising foreclosures. There have been many changes in strategy taken by Treasury and the Federal Reserve in response to evolving economic challenges that are not well understood. These actions have led to a perceived ineffectiveness that stems from confusion in both the process and purpose of these funds. The TARP was intended to provide tools to stabilize our financial system to prevent collapse. It was not intended to be used as an economic stimulus; however, without such the pending Congressional stimulus package that's pending would have diminished effectiveness. Our nation continues to face unprecedented crisis that requires quick and decisive action.

“We can and should provide the new administration with the resources to both stabilize our financial system and reduce the foreclosures that continue to undermine it. Yesterday, we passed H.R. 384, which directs the Obama administration to act with greater transparency and accountability on how funds are being used to stabilize markets and provide multi-tiered options to foreclosure avoidance for credit worthy families.

“In 2008, 8,200 homeowners filed for a foreclosure each day. 1 in 6 homeowners are currently upside down, meaning their mortgage debt exceeds current home value. Currently, 45 percent of real estate on the market is foreclosed properties, which continues to depress home values and adversely impact average Americans who want to refinance or sell their homes.

“In addition, slumping consumer spending is driving many retailers and small businesses under, and as they vacate their properties, commercial mortgage foreclosures will likely increase. That means even more toxic assets on the books of our financial institutions, further limiting credit. U.S. banks continue to write-off enormous losses, and several report severe fourth-quarter losses.

“Given this data, it would be irresponsible for this Congress to deny the new administration the tools needed to prevent further collapse of our markets and credit availability. Without these tools, the upcoming economic stimulus will have a reduced effect in reigniting economic growth. I urge my colleagues to oppose today’s resolution to disapprove the release of these funds, so American families and businesses can count on our financial system in the future.

“Thank you. I yield back the balance of my time.”